B2B starts to give firsts yields
Magalí Lamyin
Expansión

In the near future, B2B will experience a real boom in Spain and will turnover some 1,200 million Euro in business in 2004.

The world volume of electronic business transactions among enterprises B2B will reach 200,000 million Euro at the end of the 2001 reaching up to some 3.1 billion Euro in 2004, according to a study by Boston Consulting Group. In Spain, the study shows that the online transactions among enterprises went up to 1,200 million Euro in the year 2000 and it is estimated that it will increase to 57,000 million Euro in 2004. Online purchasing is very useful in order to reduce costs, diminish production cycle, increment efficiency and improve the relationship with dealers within the electronic business between enterprises. Electronic purchasing, also known as e-procurement, includes not only management of purchases but also of transport, warehousing, and products and services delivery through the Internet. There are two types of products in the e-procurement: direct, which are part of a final product; and indirect, necessary for final product manufacturing but which do not form part of it. That is the case with the office supplies, and those of maintenance, repairs and operations (MRO).

In order to carry out electronic purchasing, diverse systems such as e-marketplaces have emerged. These electronic markets are meeting points where advantages of the Internet are used in order to facilitate trade among enterprises. According to a study by Booz Allan Hamilton, there are 1,800 e-marketplaces at present, of which only 27% are aimed at the European market, 38% to the North American and 20% have a global focus. E-marketplaces are classified by their origin as independent, private and enterprise consortiums. The independent ones were created by enterprises that operate as intermediaries and are intended to satisfy niches in specific sectors. This kind of market counts for 92% of the world e-marketplaces. The private ones are those in which an enterprise establishes its own platform and invites its dealers (suppliers) to take part in it. These are only a minority (3%), and they run the risk of not having enough volume to attract dealers (suppliers). The e-marketplaces formed by single industry enterprise consortiums represent only 5% of the world e-marketplaces. Even this way, they have bigger possibility to stay afloat due to their power to change the structure of determined sectors.

The e-marketplaces can also be grouped according to their target to vertical - oriented towards one determined industry, and horizontal - that group companies from different sectors. The vertical ones usually concentrate on raw material purchasing. The horizontal ones, on the other hand, aim at the purchase of indirect products that are common between different industries. There are some 50 vertical and half a dozen horizontal e-marketplaces in Spain. In the first group are PlazaSalud24, for the hospital purchasing, E-difica, for the building industry and Consumalia, for consumption and alimentation goods. Among the horizontal are PyMarket, Adquira, Aquamina and...
Opciona - all of them dedicated to purchase of indirect products. Given the great number of existent e-marketplaces, only those with strong value proposals, differentiated strategies and a wide range of buyers that will allow significant savings will survive

"Which is going to be the future tendency of the e-marketplaces in Spain?"

Marc Sachon, IESE assistant professor
The independent ones will loss
The concept of generating benefits in the e-market places is not very clear. If independent e-marketplaces are taken as an example, the reference is the NYSE value market, the biggest and most developed marketplace in the world. In order to generate gross profits of 131 million Euro, it is necessary to turnover 12.5 billion Euro in transactions. This way, there is a turnover profit margin greater than 0.01%. In order to have a profit margin of 0.01%; an independent e-marketplace would have to turnover per 10,000 Euro per million Euro of profit. E-marketplaces affiliated with big companies that assume a big business are a different case. However, the most important aspect is not the profits they are generating but the administration and collaboration cost savings. In Spain, e-markets affiliated with big corporations will have more of a future than the independent ones.

Jesús Díaz de la Hoz, PwC Managing Partner
Sector in a complete transformation
In spite of looking promising, the future of the e-markets presents certain uncertainties. There are organisations opposed to and distrustful of the changes and broken promises in the Internet world. As for dealers, the majority has entered the market only recently and thus are subject to a continuous adaptation of their business model to the sector tendencies. Despite this situation, the electronic markets present important development opportunities provided that certain rules are followed. In the first place, it is important to increase the client and supplier's potential market. Furthermore, there is a need to lower the operational and distribution costs. It will also be necessary to reach economies of scale and design a launch structure adequate to the financial capacity. Thus, there still will be company mergers and some disappearances.